

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 223946

15

ORIGIN EB-07

INFO OCT-01 EUR-12 NEA-10 IO-13 ISO-00 SS-15 AID-05 AGR-05

AGRE-00 SP-02 NSC-05 CIAE-00 INR-07 NSAE-00 COME-00

TRSE-00 OMB-01 USIA-06 H-02 L-03 IGA-02 /096 R

DRAFTED BY EB/IFD/ODF:JABWINDER:SMCP

APPROVED BY S:HAKISSINGER

AID:CGULICK

IO:DDAUGHERTY

NEA:DMORRISON

EB:PHBOEKER

S/S:RGAMBLE

NEA:SSOBER (SUBS)

A/AID:DPARKER

----- 052055

R 100104Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA

INFO AMEMBASSY KUWAIT

AMEMBASSY ROME

AMEMBASSY TEHRAN

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE STATE 223946

E.O. 11652: N/A

TAGS: EAID, EFIN, EAGR

SUBJECT: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

EMBASSY SHOULD DELIVER FOLLOWING LETTER TO THE CROWN

PRINCE FROM THE SECRETARY. LETTER SHOULD BE ADDRESSED TO

HIS ROYAL HIGHNESS

CROWN PRINCE FAHD BIN ABDULAZIZ AL-SAUD,

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 223946

-- FIRST DEPUTY PRIME MINISTER OF SAUDI ARABIA.

FOLLOWING IS TEXT OF THE LETTER:

QUOTE YOUR ROYAL HIGHNESS,

I AM WRITING TO YOU REGARDING THE CURRENT STATE OF NEGOTIATIONS IN SETTING UP THE PROPOSED INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD). I AM SURE THAT YOU SHARE MY VIEW THAT THIS INSTITUTION SHOULD BECOME OPERATIVE AS SOON AS POSSIBLE SO THAT IT CAN BEGIN ITS IMPORTANT WORK.

THE UNITED STATES HAS STRONGLY SUPPORTED IFAD SINCE IT WAS PROPOSED BY A NUMBER OF OPEC COUNTRIES AT THE WORLD FOOD CONFERENCE IN 1974. WE HAVE VIEWED IFAD NOT ONLY AS

A VEHICLE TO IMPROVE AGRICULTURAL PRODUCTION IN DEVELOPING NATIONS BUT ALSO AS A UNIQUE OPPORTUNITY FOR A JOINT COOPERATIVE EFFORT BY OPEC AND OECD COUNTRIES.

AS YOU ARE UNDOUBTEDLY AWARE, PLEDGES REMAIN APPROXIMATELY \$65 MILLION SHORT OF THE \$1 BILLION TARGET NEEDED TO OPEN THE AGREEMENT FOR SIGNATURE. IT WOULD BE TRAGIC IF IFAD WERE TO FAIL OVER SUCH A SMALL AMOUNT.

I WAS DISAPPOINTED TO NOTE THAT THE OPEC FINANCE MINISTERS AT THEIR RECENT ANNUAL MEETING IN VIENNA REITERATED THEIR POSITION THAT THE CONTRIBUTION OF \$400 MILLION FROM THE OPEC SPECIAL FUND WAS CONTINGENT UPON A CONTRIBUTION OF AT LEAST \$600 MILLION FROM OECD COUNTRIES. AS YOU KNOW OUR CONGRESS HAS MADE THE UNITED STATES CONTRIBUTION OF \$200 MILLION CONTINGENT ON ROUGHLY EQUAL CONTRIBUTIONS FROM OECD MEMBERS AND OPEC COUNTRIES. CONSEQUENTLY WE NOW APPEAR TO BE AT AN IMPASSE WHICH THREATENS THE SUCCESS OF THIS EXTREMELY IMPORTANT INITIATIVE.

IT IS CLEAR TO ME THAT AN ACT OF STATESMANSHIP ON BOTH OUR PARTS WILL BE REQUIRED IF WE ARE TO BREAK OUT OF THIS IMPASSE. THE TOTAL LEVEL OF OECD COUNTRY CONTRIBUTIONS NOW EXCEEDS \$530 MILLION. WHILE I REALIZE THAT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 223946

YOU MAY BE RELUCTANT TO SEE THE TOTAL LEVEL OF OPEC COUNTRY CONTRIBUTIONS EXACTLY MATCH THE OECD LEVEL, AN ADDITIONAL DIRECT BILATERAL CONTRIBUTION FROM ONE OR MORE LEADING OPEC COUNTRIES TOTALING \$50 TO \$70 MILLION WOULD BE A MAJOR STEP FORWARD IN REACHING A SUCCESSFUL CONCLUSION TO OUR JOINT EFFORTS. SUCH A STEP WOULD BE ESPECIALLY APPROPRIATE IN VIEW OF THE ORIGINS OF THE FUND, THE BACKGROUND OF THE AGREEMENT, THE VOTING STRUCTURE,

AND THE DESIRE OF OPEC COUNTRIES TO PUT FORWARD A CANDI-
DATE FOR THE PRESIDENCY OF IFAD.

WERE YOU IN A POSITION TO TAKE SUCH A STEP AND TO
PERSUADE ONE OR TWO OF YOUR COLLEAGUES TO JOIN YOU, I FOR
MY PART WOULD MAKE EVERY EFFORT TO PERSUADE THE UNITED
STATES CONGRESS THAT THE RESULTING OPEC CONTRIBUTIONS
ACHIEVE ROUGH PARITY WITH THE LEVEL OF SUPPORT FROM
DEVELOPED COUNTRIES. THIS WOULD ALLOW US TO GO AHEAD
WITH THE FULL \$200 MILLION U.S. CONTRIBUTION RATHER THAN
CUTTING IT BACK TO A LEVEL OF 40 PERCENT OF THE TOTAL
OPEC CONTRIBUTIONS. SUCH A STATESMANLIKE SOLUTION WOULD
ALSO AVOID THE POSSIBLE NEED FOR A REVISION IN THE FUND'S
VOTING STRUCTURE TO REFLECT THE DISPARITY BETWEEN TOTAL
OECD AND OPEC CONTRIBUTIONS. FURTHER I WOULD WELCOME THE
OPPORTUNITY TO SUPPORT A QUALIFIED CANDIDATE FROM AN OPEC
COUNTRY AS PRESIDENT OF IFAD.

I AM CONFIDENT THAT WITH THIS EXTRA EFFORT ON BOTH
OUR PARTS, WE CAN BRING THIS IMPORTANT INITIATIVE TO EARLY
F,UICTION.

-- - - - - WARM REGARDS,

-- - - - - HENRY A. KISSINGER

UNQUOTE. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL DEVELOPMENT, DIPLOMATIC COMMUNICATIONS, FOREIGN POLICY POSITION, FINANCIAL CONTRIBUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 SEP 1976
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE223946
Document Source: CORE
Document Unique ID: 00
Drafter: JABWINDER:SMCP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760342-0021
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760972/aaaacmj.tel
Line Count: 142
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 12 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 MAY 2004 by BoyleJA>; APPROVED <27 JUL 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT EMBASSY SHOULD DELIVER FOLLOWING LETTER TO THE CROWN PRINCE FROM THE SECRETARY. LETTER SHOULD BE ADD RE
TAGS: EAID, EFIN, EAGR, PSDC, SA, US, IFAD, (KISSINGER, HENRY A), (FAHD, PRINCE)
To: JIDDA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006